

# N F R B QUARTERLY

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NEW FABIAN RESEARCH BUREAU  
37 Great James Street London W C 1

# THE WORK OF N F R B

## Plans for 1937-8

### SWEDEN

The main summer activity of the Bureau was the organization of a party of research workers to visit Stockholm and prepare a book on the social and political situation in Sweden, following the success of *Twelve Studies in Soviet Russia* which appeared some years ago. A group of about 30 members took part, and were given every assistance by the Swedish Government and representatives of every type of social organization in that country. Thanks are due especially to the Press Bureau of the Swedish Foreign Office for help in securing introductions, and to the Social Democratic Party for their lavish hospitality. It is hoped to organize similar parties in future years for purposes of research into the situation of other countries whose experiences may be of value to Great Britain. A Reunion for those who took part is being arranged on September 29.

### RESEARCH AND PUBLICATIONS

Pamphlets have recently been published on *How Much Compensation?*, *The Forty-Hour Week*, and *State Education*, and others will follow shortly on *Czechoslovakia* and *Economic Planning Machinery*.

An investigation into the work of the Metropolitan Borough Councils was organised during the summer, and the results are embodied in a pamphlet to be published by the London Labour Party before the November Elections.

Peter Vinter, of Cambridge, has recently joined the staff of N F R B to undertake research into *Retail Distribution*.

### RECENT CONFERENCES

The Conference on *Public Enterprise* on June 13 was well attended and a lively discussion followed speeches by Ernest Davies, Laurence Welsh, and R. W. B. Clarke.

A short Conference on *War in Spain* was held in a Committee Room at the House of Commons on the evenings of July 13-14.

### WINTER ACTIVITIES

A programme has been arranged including various new forms of activity for the winter. A weekend conference on *Propaganda* is to be held at Maidstone on October 23-4, and the speakers will

include Maurice Webb, R. H. S. Crossman, G. Wansbrough, H. L. Beales, W. A. Robson, S. R. Elliot (editor of 'Reynolds News') and John Parker, M.P. Following this a study group will be organized to discuss methods of propaganda.

Other Conferences will be arranged on *Population* and *Education*, and in the Spring a course of public lectures at the Essex Hall is being planned under the auspices of N F R B. It is also hoped to arrange occasional dinners to prominent visitors.

N F R B is also participating in an International Planning Conference to be held at Pontigny on October 22-4. The subjects of discussion will be Foreign Trade and the Colonial Question, Workers' Control, and Working-Class Standards of Living. Any members interested who would like to attend are asked to inform the Office as soon as possible.

## MEMBERSHIP

The figure of 665 was reached at the beginning of September, an increase of 50 since April 1, but a further campaign to attain the thousand mark is to be initiated. Members are urged to interest their friends in the work of N F R B and to encourage them to attend some of its activities.

The General Secretary, John Parker, M.P., would be glad to hear from anyone requiring further information on the work of N F R B at 37 Great James Street, W C 1.

Communications concerning the *Quarterly* should be sent to the Editor, H. D. Hughes, at the same address.



# LABOUR IN THE METROPOLITAN BOROUGHES

**James MacColl**

*Paddington Borough Council ; L C C Education Committee*

The Metropolitan Boroughs arose out of the ashes of the often corrupt and incompetent Vestries during that period at the turn of the century when the Progressives appeared to be in permanent control of the County Council and the Conservative Government was accordingly anxious to limit the field of its administration as narrowly as possible. The hope that the wise planning and direction of the metropolis would be obstructed by acrimonious bickering between independent rival authorities has only partly been realised, but now that a substantial part of London is under the control of Socialists it may perhaps be regarded as an evil of the past. But the Borough Councils carry their birth marks on them still and it is impossible to find any logical explanation why maternity clinics should be controlled by them and hospitals by the County Council, education by the County Council, libraries by the Boroughs and housing and sewers divided between the two authorities.

Nothing, however, could be further from the truth than to dismiss the Borough Councils as obstructive anachronisms. Many of the most important civic developments are due to their initiative. The Borough Councillor can have a personal knowledge of the details of his Borough which no County Councillor can hope to acquire for all London. And by the end of the War the wheel had turned its full circle. The authorities which were created to give some foothold for Conservatism in the flood tide of London Liberalism brought the first opportunity to London Socialism, eighteen years ago. Since then there have been good times and bad for Labour in the London Boroughs, but in 1934 the position won in 1919 and only partially held since was restored in full. In November of this year the triennial elections occur again, and it is a tribute to the spirit of the London Movement that it is thinking not so much of whether the position will be maintained but of what Boroughs never previously held by the Party can be added to the present fifteen.

## DEMOCRACY IN ACTION

Interest in these elections is not easy to arouse. They come somewhat as an anti-climax to the County Council elections in March. Probably most people know whether or not they live

within the administrative county, but they do not know in which Borough they live. Those that have sufficient civic consciousness or live sufficiently long in one place to know their Borough think of Borough Council work as dull and not always suitable for drawing-room discussion. Babies, brothels, and public urinals. While a slightly larger percentage voted in November 1934 than in March 1934, this was almost entirely due to the heavy polling in the great Socialist Boroughs such as Woolwich with the remarkable proportion of 51%. The six Boroughs with the highest proportion of voters all returned Labour Councils.

### TRIENNIAL ELECTIONS

When they were established, the Borough Councils exercised their option to be elected triennially instead of one-third each year as in the case of provincial councils. This has advantages. It gives a newly elected Council time to plan out its programme without having to dress its windows at once. It gives local parties a respite from election work and of course it is cheaper. But it does have disadvantages in that the change when it does come is all the more sudden. A change in representation of one ward may mean the turnover of nine councillors or change a majority of nine into a minority of nine. In 1934 two Labour Parties, Fulham and Hackney, found themselves in a majority where in the previous Council they had had no representatives at all. Islington had one representative. Bethnal Green and Stepney previously in a minority now hold all the seats. It is a striking tribute to Labour's capacity to govern that these Parties have not only been able to take over control with little or no knowledge of the work of the previous three years but to make substantial steps forward in municipal progress.

### LABOUR'S RECORD

It is not easy to summarise the achievements of Labour Councils over the past three years. In different Boroughs the problems and the revenue available to meet those problems vary very much. In some Boroughs Labour has had a long period of office, in others they have just started after a very long break. Bermondsey, Deptford and Poplar have been continuously in power for at least fifteen years; Stepney, Shoreditch and Woolwich had only a short break between 1931 and 1934; while on the other hand Fulham and Islington succeeded particularly backward Municipal Reform Councils in 1934. It is indeed sometimes forgotten how long a period of Labour administration some boroughs have enjoyed and praise should be given



to those Labour Authorities with very small rateable values and consequently a low product of the penny rate, who nevertheless even through the crisis years have been able to give a lead to the rest of London in their development of municipal services. It is also comforting to see that these councils do not rest on their past achievements but are constantly making new experiments and new extensions of their work.

## HOUSING

The reputation of London Labour generally has mainly been built up on housing. In the old days Bermondsey had a better housing record in the one Borough than the Municipal Reform LCC had over the whole County. A number of Boroughs are keeping up a steady building programme.

Bermondsey are at present building 935 flats and 16 cottages. Woolwich increased the number of families rehoused from 78 in the last year of the Municipal Reformers to 265 in 1935. By May 1937 Greenwich had planned schemes to rehouse 353 families, and since have added another scheme to rehouse 600 families. Hackney expect to have cleared their slums and rehoused their overcrowded families by 1938. Since 1934 Islington have built 119 dwellings and have planned another 571. Poplar have completed 180 and have 74 in progress. Southwark have completed 114 and have 83 in progress, and Stepney have completed 262 and have 411 in progress. Fulham have a scheme to build 419 dwellings to house 927 families and are planning two more to build 246 dwellings to house 400 families.

But it must be remembered that this work is subsidiary to that undertaken on so large a scale since 1934 by the L.C.C. Boroughs which have no vacant land or cannot find any unhealthy areas suitable for clearance find it extremely difficult to build at all. Much of their work is concerned with small slum areas which are not suitable for rebuilding and with the work of enforcing the LCC bye-laws dealing with sanitary conveniences and arrangements for the storage of food. The bye-laws while prosaic in content actually play a very important part in the economics of slum landlordism. In parts of West London that I know the gross yield on a 16-year lease of a house divided into working-class tenements at a minimum appears to be 30%, after writing down the value of the lease leaving perhaps 20%. If the bye-laws were strictly enforced more than this amount would in many cases be spent on repairs. If they are not enforced very little indeed of it will be spent. The market price of tenement property accordingly gives an index to the sincerity and efficiency with

which the Borough Council is expected to carry out its duties. A vigorous Council can very largely knock the profitableness out of owning 'Widower's Houses'. The work is however costly and politically unpopular. It is costly because it means frequent re-inspections and legal proceedings before a frequently hostile magistrate. It is politically unpopular because the landlord can inflict a maximum inconvenience upon the tenant and say that it is all the fault of the Labour Council. It is also limited in its effect, as at present some of the most important bye-laws do not apply to houses any part of which is controlled under the Rent Restriction Acts. And the great danger from all this sort of work is that the result will be healthier dwellings at higher rents and the very poor left homeless. A Council has therefore to balance the requirements of civilized decency against throwing out the baby with the bath water. An unhappily literal metaphor, for it is the family with the baby and the small child which suffers first from housing shortage. It is the custom of many Boroughs only to inspect houses when there has been a complaint or a case of illness. In my opinion this is not sufficient, complaints too often coming from those tenants who are already so much in arrears that they have nothing more to fear from victimization at the hands of the landlord. Fulham have instituted a house to house inspection in continuous circuit with emergency visits where necessary. I believe this to be the most efficient procedure at any rate in West London, where small tenements in large unconverted houses are so common, though in the long run I think the only thing to be done with tenement property which cannot be demolished as unhealthy or re-developed as overcrowded is for the Council to purchase it for reconditioning. My experience in Paddington of one of the two Improvement Areas in London has convinced me that even under pressure the landlord cannot be trusted to make his own property fit to live in. He is always either short of capital or short of conscience.

## RENTS

The difficulty of keeping rents down is always a problem for an energetic Borough Council. The Rent Restrictions Acts, in spite of the Judiciary, are still some protection, but they are due to expire in 1938. A very determined effort will be made by Conservatives to have them buried. It is extremely important that the Borough Councils, who have special responsibilities under them, should take a lead in securing their resurrection. All Labour Councils and not a few Municipal Reform ones with a strong Labour minority have done good work in seeing that the tenant under-



stands his rights under them. A most valuable clause is Section 5 of the 1923 Act, which provides that if the sanitary authority gives a certificate that a controlled dwelling is not in a reasonable state of repair, the tenant may withhold part of the permitted increase of rent, thus enforcing the most rapid and most effective of all sanctions against the landlord. If these Acts are continued, sanitary inspectors might perhaps be encouraged to take more initiative, where they find bad property on inspection, to see that a certificate is applied for.

## MATERNITY AND CHILD WELFARE

In maternity and public health matters the standards reached in different Boroughs are bound to vary. In many districts much of the work is still done by voluntary agencies who receive a grant, often the major part of their income, from the Council. Not all these agencies by any means are inefficient. But it is difficult to keep adequate financial control over them and they are not easily made answerable to public opinion. In many cases, unfortunately, their work is handicapped by their continual shortage of funds and more and more they are being taken over by the Councils; a procedure at once more democratic and more efficient. Some Boroughs run their own maternity home, others make an agreement with the L C C. At least one Municipal Reform Council has an agreement with a voluntary hospital to provide beds for mothers with an income minimum in order to ensure that 'better class' mothers will not have their labour disturbed by the consciousness of mothers from the lower orders in a similar predicament. Two recent developments in antenatal care should be mentioned. About 1929 Woolwich, Shoreditch and one or two other Boroughs began to provide 'home helps' to take from the shoulders of expectant mothers the burden of household duties. During the last three years this experiment has been extended to cover a longer period and adopted by most Boroughs. Fulham, I believe, began and other Boroughs have rapidly introduced the provision of dinners for expectant mothers. This is an important supplement to the provision of free milk, for while it is not always easy to get going, it ensures that the mother is not starving herself for the sake of the rest of the family.

## PUBLIC HEALTH

The public health duties of Boroughs are by no means confined to maternity. Toddlers' clinics for young children to fill in the gap between infancy and school age have been introduced.



Bermondsey's astonishing feat in maintaining for thirteen years six beds at the Rollier Clinic at Leysin, Switzerland, for surgical tuberculosis has been extended by the establishment of a Borough Solarium which can treat 1,600 patients per day. Artificial sun-ray treatment is now becoming an accepted part of municipal health work. [Free massage, foot clinics (extremely important for manual workers), dental clinics and, of course, extra nourishment for T B cases are only some of the many activities.]

A very notable feature of the last three years has been the projection by a number of Labour Boroughs of Health Centres in which are brought together all public health activities. Finsbury's new Centre will include a T B clinic, foot clinic, women's clinic, department for electrical treatment, reception rooms for isolation cases, cleansing and disinfecting stations and offices for the different public health officials. Southwark are about to open a similar Centre, and Bermondsey, Camberwell and Woolwich have one planned.

## HEALTH PROPAGANDA

There appears to be no clearly defined cause of infant mortality. Dirt acting upon undernourished constitutions and leading to enteritis is undoubtedly a major evil, and calls for improved street cleansing, refuse collection, and disinfestation from vermin in the backward boroughs. But it is hardly an exaggeration to say that the pre-eminent single need is for improved health propaganda. Too often Municipal Reform Boroughs provide the necessary services, but provide them grudgingly and hedge them with restrictions. But for the work of the health visitors it would be even more difficult than it is to see that working class mothers use the services provided. It is perhaps particularly in this field that the Labour Councils with their pride as Socialists in municipal enterprise take pre-eminence.

Many of their leaflets and pamphlets on the health services are models of publicity. The talkie projector is coming more and more into use. In one Borough at least, Hackney, films are being shown in the streets. Fulham, Stepney, and Woolwich use projectors and in the Health Centres mentioned above projection rooms are being installed.

## ELECTRICITY

Only a few Boroughs are fortunate enough to own the electrical supply, but these all show a very substantial increase in the amount of current supplied. Assisted wiring schemes are being extended and apparatus supplied. In Islington the Municipal Reformers

had agreed to exhibit apparatus but not to sell it, an interesting illustration of the impossible positions into which slavery to clichés so frequently leads the Conservative Party. Under the Labour Council all types of apparatus can, of course, be bought for cash or on hire purchase or, in the case of larger instruments, hired.

## BATHS AND WASH-HOUSES

There are two services provided by Borough Councils where there is no obvious road of progress. In the case of the public baths and wash-houses, the improved plumbing in working-class houses and the growing popularity of open-air pools, have in many places led to a falling off in the use of the ordinary type of public bath. But Poplar have found their new public baths very popular, and it would appear that where modern services are provided, particularly with different kinds of medicinal bath, there is plenty of opportunity for development. Finsbury, Hackney and Southwark are also planning new baths.

## LIBRARIES

In the case of the public libraries there have also been complaints that the growth of the 'twopenny libraries' has led to a falling off in use. But here the wish is too often father to the thought. Libraries are not popular among Municipal Reformers, many of whom feel that the work of Borough Councils should be confined strictly to essential services, roads, sanitation, cleansing and so on. Librarians are too often underpaid and disillusioned, library buildings dull and neglected. The position of the library service in London is a curious one. In most great cities, there is an imposing central library with a large reference section, a building centrally situated and easily accessible. In London there are a series of borough libraries of very varying standards and in the nature of things with small reference facilities. The co-ordination of libraries through the National Central Library has done something to solve the problem, but the solution is only partial. Socialist Library Committees should press for an extension and speeding up of access to all works of non-fiction (whatever may be the right view on the place of cheap fiction in a public library).

Children's libraries are another important field for development. A whole time Children's Librarian is an essential, and there are still London Boroughs without one. Deptford, Fulham, Islington and Woolwich have all been making interesting experiments in the development and use of these libraries and the Municipal Reform Borough of Lewisham have built a good one



on the Downham Estate. But too many children's reading rooms still look like dentists' waiting rooms. The library should become a real educational centre. Stepney recently put forward a proposal for the extension of powers to exhibit educational films in the libraries. One would have thought that a proposal to provide children with an alternative to the modern adult movie would have been welcomed. But a similar recommendation from the Municipal Reform Library Committee of Paddington was defeated without discussion by the Council.

## DEMOCRACY IN ACTION

To anyone despondent about the possibilities of Municipal Socialism, few things are more comforting than a walk through Bermondsey. The flowers in the gardens, the trees in the streets and the playgrounds and open spaces in one of the poorest, most densely populated and highly industrialized Boroughs in London are an impressive monument to the work of the Beautification Committee. Deptford have a record of work almost as long, and Labour Boroughs all over the county have shown that municipal activity may have its æsthetic and creative side. Vital as are the basic health services which the Borough Councils administer, civic pride and municipal patriotism in London—so largely the creation of the Labour Party—equally find expression in making each Borough as good and as pleasant a place to look upon as can be achieved within the limits set by past neglect.

I must finish this article with a saving clause. I have touched on only a small part of the work that is being done and given such illustrations as I happen to know. An enormous amount that should have been mentioned has been omitted. If in places I have paid more attention to what needs to be done than to what has been done, it is because I think the time is past when Labour needed to establish its position by comparison with other parties and is approaching when the work of cleaning up other people's mistakes will be completed. London is a strangely complicated and tantalizing city to try to govern and the time has come when London Labour has to make up its mind what sort of future it wishes to give her. But of this we may be sure, that in the work of rebuilding and recreating, a predominant part will be played by the painstaking devotion and deep knowledge of the everyday problems of living of those shrewd idealistic working class men and women who make up the bulk of our Borough Council Labour Parties.

# VIEWS ON BOURNEMOUTH

## A REAL NATIONAL GOVERNMENT

**Geoffrey Mander, M P**

*East Wolverhampton*

It would, of course, be wholly improper and presumptuous for me to attempt to advise the Labour Party what it should do at its forthcoming Conference, but I think it is permissible for a Liberal who is interested in seeing the development of any movement that will make it possible for the progressive or left elements in this country to cooperate in action to make some comments from that point of view.

### THE PEOPLE'S FRONT

The two latest expressions of opinion on the subject are well set out in *The People's Front* by Mr Cole, and *The Labour Party in Perspective* by Mr Attlee. Here we have ably stated in clear language the two different points of view, Mr Cole wholeheartedly and most persuasively for cooperation, Mr Attlee for action through the Labour Party alone.

If the latter's words are read carefully, however, this is not the whole truth, because I think it can be definitely deduced from his book that Mr Attlee himself is in favour, under certain circumstances, of a People's Front Government. He says, for example: "In time of war there is one over-mastering issue which may effect the union of people who differ widely in their conceptions of society but are united in the resolve to defend the particular society to which they belong. It may even happen that the threat of danger from outside may enable a government comprising very heterogeneous elements to unite on a policy of national safety." He further says: "I would not myself rule out such a thing as an impossibility in the event of the imminence of a world crisis. It might on a particular occasion be the lesser of two evils," and he then examines the position in some detail.

### THE WHITE MAN'S BURDEN

The point at issue is, therefore, the reality of the imminence of a world crisis. I should have thought that the situation could hardly be more grave than it is. The fatal policy of the National Government in and since 1931 has borne its inevitable fruit. The wheel has turned full circle. As a result of the failure to carry



out our obligations under the Covenant when the Japanese Military Party were first pushing the door to see if it would open in Manchuria, we have set in motion a train of events which has, during the last few weeks and up to the moment of writing, destroyed British property of the value of six million pounds, placed the whole of our vast financial interests in China in peril, and caused a wholesale evacuation of British subjects. We are powerless to intervene or protect our interests or even our Ambassador.

There is no need to emphasize the case of Abyssinia, or what is now happening in Spain. The British Government has conveyed the impression abroad that it can be relied upon not to carry out its pledged word in connection with the League of Nations, and that no collective action for the suppression of the aggressor will be supported. This direct invitation to Hitler and Mussolini to go and do their worst and take what they want places the whole of our civilization in peril. At any moment the British people may be dragged into war for purely national ends. No social reform under such conditions, whether Conservative or Radical, will be possible.

### A LEAD FOR PEACE

A National Government of the Left, rightly interpreting the mind of the nation, could immediately bring into operation a foreign policy which would change the whole situation in the world, call the bluff of the dictators, and compel the settlement of disputes through the pacific machinery of the League. The knowledge that there was no other way open but peaceful change would have a profound influence upon the attitude of Germany, Italy and Japan. Surely in such circumstances it is fair to say that cooperation between groups of the Left is a lesser evil than the continuance in office of the present government.

Mr Attlee suggests that while agreement on foreign policy might be practicable, there would be much more difficulty in the realm of home affairs. I cannot see anything in the short programme of the Labour Party which, reasonably interpreted, I as a Liberal could object to. It is impossible to be definite where only the general outlines of a policy are given, but I can well imagine measures within the scope of the programme which would receive warm Liberal support.

There are, of course, varieties of opinion in the Liberal as in other parties, and there might well be some who would not feel happy in the associations contemplated. I can only express my own opinion, however, that there is a great mass of Liberal voting strength in the country that would rally wholeheartedly to the opportunity of putting into operation a League foreign

policy and securing radical reforms at home. In any case, apart from this, there is the obvious necessity that every element of progressive opinion would have to give and take in contributing towards an agreement.

The real need, however, is to make an appeal to those who at the last election either abstained or voted with reluctance for the present National Government, because they could see no alternative.

### LEADERSHIP

It is vitally necessary to establish something which in the eyes of the average elector will appear to possess the makings of a government which can govern. As Mr Cole rightly says: "The National Government, whatever defects the electors feel it to possess, does look like a government that is capable of carrying on somehow for the time being, whereas the opposition, despite the fact that its policy is more in line with the wishes of the people, somehow does not."

Whether one likes it or not, it must be admitted that the Labour Party alone does not seem likely to make such an appeal for a long time to come, but in association with others I believe it would. The type of individual outside the Labour Party I, personally, should like to see in a National Government of the Left would be, for instance, Lord Samuel, Sir Archibald Sinclair, M P, Sir Arthur Salter, M P, Mr Harold Macmillan, M P. I am of course expressing solely my own views.

### THE BOLSHEVIST BOGEY

There remains the problem of the Communists, and I fully agree that it is a difficult one. The Communist Party, though mild, unimportant, and small in numbers in this country, has a considerable terror value, based on the memory of the policy of world revolution pursued by the Soviet until a few years ago, and full use would be made of it by the Conservative Party. The position has, of course, greatly changed. The Soviet Government is apparently prepared, owing to the gravity of the crisis and in face of realities, to form a common front with other peace-loving nations, and Great Britain and other states find no difficulty in cooperating on equal terms with the Soviet on the Council of the League of Nations. I understand the policy of the Communists now to be that they are prepared to work through normal constitutional channels.

It seems surely rather illogical for the Labour Party to accept cooperation at Geneva, approve it in France, and to ban it as unthinkable in England.



No doubt it is hard to forget 'the slings and arrows' of the earlier period, but it is difficult to see how the Labour Party can indefinitely conduct successfully a battle on two fronts.

One hopes, therefore, without much anticipation of its being realized, that the Labour Conference will feel the force of such arguments as these, and recognize that in view of the imminence of a world crisis a Popular Front Movement is the lesser of two evils.

This is one of the great moments of history; courageous action on the right lines now by the leaders of public opinion in this country and by the great mass of the people can drastically alter the immediate future of mankind and antedate the outlawry of war by perhaps 50 or 100 years. It is worth some sacrifice and some risk to political labels, programmes and parties to try and save the lives of those millions of our fellow citizens throughout the world who will otherwise unquestionably be slaughtered, to say nothing of the sufferings and poverty of those who survive.

## PREPARE FOR POWER

George Ridley, M P

*Clay Cross*

Amongst the uncertainties and hazards of politics at least one thing is fairly certain. There must be a General Election within the next three years or so. Whatever the political issues then involved may be, the choice before the elector will be plain and simple. He must vote either for a continuance of this Government or for a Labour Government to take its place. How should we prepare ourselves for that event and how encourage the electorate to feel justified in believing that we are fit for the responsibilities of government and effectively equipped to face them?

## THE CRUCIAL MOMENT

Let no one minimize the tremendous responsibilities of that job. Bernard Shaw once said of Lord Rosebery that he never missed a chance of losing an opportunity. This opportunity of winning political power may, if we miss it when it comes, be denied to us for another five years. Major problems, domestic and international, will for all that time remain unsolved, and we shall not only have missed political power for our Party; we shall also have missed the chance of relieving the economic unhappiness

of millions of our people, of replanning society in a way that will eradicate poverty and privation, and of leading the world once more to political stability and peace.

In the face of this task and responsibility every member of the Party should scrupulously and meticulously consider his own attitude to the Party. No Party can live and justify or expect widespread public support if it constantly presents for public display difficulties and disagreements that distract the public mind and injure public confidence.

## INDISCIPLINE

Nor can a Party live if its internal existence is constantly being disturbed by a serious lack of unity and single purpose. It is not to be denied that we have suffered seriously in the last year or two in both these respects.

The Abyssinian case was perhaps our worst experience. The bulk of the Party believed in implementing the Covenant of the League completely. In the face of this unity some well known members of the Party insisted on obtruding their personal view, with no hope at all that that would influence the Party view. In other words there is a good deal too much ego about—far too much readiness to clamour for the defence of democracy throughout the world and yet injure it ourselves within the Party. For egoistic people continue to express their personal view even when the Party has after a long and careful discussion and debate declared against them. This is not good enough, and I feel very deeply indeed that not only the future of the Party but the future of mankind in terms of peace and happiness depends tremendously on our increasing willingness to serve the Movement loyally and humbly. And I further feel that if that willingness is not more marked in the future than it has been, loyal members of the Party will find their tolerance much more severely strained. Despite the charge of heresy hunting, very much forbearance has been shown, and I hope always will be, but some of the ‘irresponsibilities’ of outside platforms have been hard to bear. In the last month or two there has been a welcome disposition to temper asperity a little.

## COMMON GROUND

So we journey to Bournemouth, all of us, I hope, intent on reaching as much agreement as possible; resolved at any rate not to maximize our differences. It is really a rather dreadful thought that that considerable area of Party policy on which there is almost complete unanimity should be so considerably



ignored and that such undue prominence should be given to disagreements about some matters—matters on which by their very character there can never be complete unanimity.

Perhaps the point I wish to make can best be illustrated by reference to the *Immediate Programme* pamphlet. There will, I imagine, be complete agreement about everything in the pamphlet, except for the last page, dealing with foreign policy. And our agreements should be made publicly decisive. There is a very ready disposition to rush to the rostrum to express disagreement with the Executive. Ought we not to be just as ready to express our agreement?

This apparently unimportant matter becomes in my view very important indeed when it is considered in relation to Party prospects. The terms of the programme are of course vital, but not less vital is the kind of support, unanimous or otherwise, which the Party gives to it. The public mind will obviously be influenced by our own appearance. If we appear not to believe ourselves in the very things that our campaign is designed to persuade the electorate to believe in we shall not succeed. Unanimity on our part will produce a very different result, and I repeat therefore that it is of tremendous importance that we should emphasize publicly our grounds of unanimity.

## THE IMMEDIATE PROGRAMME

How much agreement can be found in the terms of the *Immediate Programme*? We must expand the social services as speedily as possible. Nobody doubts that, for the need is so obvious and so urgent. Millions of our people are insufficiently fed—they are hungry, and constantly hungry. We must resolve to end that by improving the amounts and conditions of unemployment payments, by improving Old Age Pensions arrangements and by expanding all those other services (infant welfare, milk and food provision etc) by which society now augments the family income. The whole standard and range of education must be improved, first by raising the school leaving age, not only to relieve unemployment but to narrow, if slightly, the very wide and offensive disparities which now exist. We must fit ourselves more and more by improved educational standards to face successfully the complex problems of the modern world.

There cannot be any disagreement about these simple points, as there cannot be about any other of the declared intentions about social services (and the forty hour week) which are to be found in the *Immediate Programme*. Ought we not therefore rather more emphatically to express our agreements in public?

## SOCIALISM . . .

And is there not just as much agreement about planning and reconstruction? Even the most timid member of the Party knows, for instance, that in the matter of the Bank of England we must 'grasp the nettle'. In other words, in the first flush of our new authority we must by socialization bring the immense power of the Bank under public ownership and control. Not to do that would be fatal to our continuance. In my view too we must be not less speedy and effective in dealing with the mining industry. Amidst all their poverty and anxiety our mining comrades have maintained a splendid confidence in the Labour Party, and we must be worthy of it. The programme clearly declares the Party's intentions as to these two questions and as to Land and Transport. Is there any ground for disagreement unless our purpose and intention is not to agree?

## AND PEACE

There remains Foreign Policy; and even here there is not so much disagreement as appears at first glance to be the case. Fundamentally the Party has for 20 years been uncannily right, and the tragedy of Europe would have been averted if our policy had been implemented. Let the Party at least have credit for that. Our disagreements now arise more from ephemeral than from fundamental reasons. Few people doubt the need for maintaining the defence services, however much we may condition our agreement by fine phrases about economic imperialism and power politics. We would not, in face of the Fascist menace, disband the army if we could. Should we therefore create in the public mind the impression that we want to destroy the very thing we are resolved to maintain? I need not recite the arguments on either side. The dilemma may never be resolved, and we should not continue to blame each other for not solving the insoluble.

In short, what I want at Bournemouth is a real willingness to express agreement with each other over that tremendous field of prospective work on which agreement can be found—and to be a little reserved about displaying our unavoidable disagreements.

Given those conditions, which ought to be easily secured, we can look forward with strengthened confidence to the success of the Special Campaign. Nothing, I am confident, stands in the way of political power for our people except our unreadiness to unite to grasp it.

# UNITY, LEADERSHIP AND ACTION

**George Strauss, M P**

*North Lambeth*

What do we want from the Labour Party Conference? I know what I want. A complete change of spirit in the leadership. A recognition of the necessity for all working class parties to unite behind a militant programme of immediate objectives. Decisions on foreign and domestic policy that will end the doubt and demoralization that is eating into our rank and file. Speeches from the platform and the floor showing that the Party regards Socialism not as a remote ideal but as a living faith to be fought for now. A determination that this fight shall be waged with all the zeal, courage, and inspiration that animated the party in its pioneering days.

## FOREIGN POLICY

Another way of putting this is to say that I want Bournemouth to be in every respect the exact opposite of Edinburgh. It is doubtful if the movement can stand a repetition of that disheartening exhibition. Differences of opinion on such issues as whether Labour should support or oppose the Government's rearmament policy must be unequivocally settled. It is no use trying to hide them by producing vague omnibus resolutions capable of a dozen interpretations. I fervently hope that the decision will be emphatically that it does not desire the Parliamentary Party to repeat its shameful action of last July, when it abstained and by implication supported the armament vote. There must be no doubt at all about our attitude to Spain. The Executive must be told that it is not enough to pass resolutions in favour of restoring to the Spanish people the right to purchase arms, but that they must mobilize the whole weight and power of the movement in pressing the Government to act in this sense.

It is important that members of the Executive who take a minority view on important issues should not attempt to build a sham united front with the majority by presenting to the Conference a resolution whose main purpose is to hide the difference of opinion. This procedure creates unity of the executive but disunity of the movement. By expressing openly their views their position will be enormously strengthened and their policy will get the support which alone can make it effective. Frank discussion of these differences will make the Party far more healthy.



## REARMAMENT

This is particularly important in regard to foreign policy and armaments. Until we make it abundantly clear to the public that the National Government, so far from being a bulwark against fascist aggression, is definitely pro-fascist in all its actions at home and abroad, it is difficult to get over our reasons for a root and branch opposition to their foreign policy. Our conviction, clearly stated, that this is leading to the suppression of democracy in Europe and the weakening of the forces of peace will show the public the strong rational grounds on which we refused to provide the Government with arms with which to carry out their disastrous activities. It is absolutely vital that our attitude in this manner should be made crystal clear.

Further it is hoped that the Conference will declare for the strengthening of the League by a mutual assistance pact with France and the U S S R, together with the remaining democracies of Europe, and open, of course, to all nations. Such a policy is the only means of making collective security a reality.

## LEADERSHIP

But it is not so much Conference resolutions as leadership that means business that the movement requires. The final resolution on Spain was wrung from an unwilling Executive at Edinburgh. But for all the effect it had on our subsequent actions, it might never have been passed. When Conference passes a resolution they do not like, the Executive apparently considers itself free to sabotage it, both in letter and in spirit. And what a unique opportunity was lost here! There can be no doubt that the overwhelming majority of the people of this country are in sympathy with the Spanish Government, and could easily have been roused to determined action in its defence. The enthusiasm displayed at meetings called by outside bodies, and the vast sums of money collected by humanitarian organizations for the Spanish are proof of this. If the expressed will of the Conference had been carried out, the spirit of the party would be immeasurably higher today, and, indeed, we might well have been able to exert such pressure on the National Government as to force it to concede to the Spanish people their right to buy arms. Months of horror and bloodshed might have been saved. But instead, the National Executive refused to call a single demonstration or take a single step toward organizing this latent feeling among the public beyond the issue of a few pamphlets. They cold shouldered the Spanish Medical Aid in its magnificent work. Their attitude throughout has been cowardly in practice and demoralizing in effect.

## THE IMMEDIATE PROGRAMME

In recent months it seems that the Executive has become dimly aware of the sullen anger that is smouldering in the movement. Belated vigour is shown in the launching of the *Immediate Programme*. It is excellent as far as Home Affairs are concerned, must be fought for with a real vigour and enthusiasm. But the Executive must not use this programme of measures they mean to pass after a hypothetical victory at the polls in a few years' time as an alternative to a fight today.

Labour's *Immediate Programme* should be regarded not as a remote ideal, but as the goal of perpetual struggle in every town and village until all its demands are won. If our movement were roused and united now, in a great industrial and political campaign for the forty hour week and for holidays with pay, we could win these reforms in a very few months. But there is unfortunately no attempt to rouse our movement in this manner. Unofficial movements have arisen because of lack of leadership. They are regarded as something dangerous and to be swatted.

If the Conference makes of the *Immediate Programme*, not merely an advance edition of an election manifesto, but a charter of elementary rights to be energetically fought for now, it will create an inspiring unity between local parties and trade unions, not only in formal machinery, but in common action. There will be no need for unofficial movements, such as Spanish Medical Aid Committees and Unemployed Protest Marches, to be organized outside the party.

## OTHER ISSUES

There are other problems that must be tackled if we are to make headway. In its private session, Conference must deal sternly with the *Daily Herald*, particularly with its ill informed and often pro-Nazi handling of foreign affairs. If we are to have a clear policy and a progressive leadership, we can no longer be saddled with an organ that handles foreign affairs with a Governmental bias, and which treats Russian news with an anti-Communist hysteria that puts the *Daily Mail* to shame.

The constitutional changes proposed by the Executive are to be welcomed, even though they are inadequate to allay discontent that was manifest at Edinburgh. I do not myself believe that these constitutional changes will go any great way to solving our problems. They do not really touch the root of the problem, which is that most of the present union machinery fails to give a democratic expression to the wishes of members. Nevertheless, these proposals are a decided step in the right direction, and it

is to be hoped that Conference will adopt them. If it does not the hostility shown at Edinburgh between the political and industrial wings of the party will be strengthened. It is essential that this should be avoided.

### UNITY

To sum up. I want this Conference, at the eleventh hour, to cast off the confusion and disillusionment that has been paralyzing the Party since Edinburgh. I want to see an inspiring Socialist stand taken on the principles of the Spanish war and foreign policy in general, and a sense of reality brought into the struggle on the home front. I want to see a new spirit of leadership that will make our old party a young and vigorous organization, pulsating with rejuvenated life and energy, awakened at last from the evil dream of recent years. I want to see unofficial movements ended, not by vicious and unprincipled attacks on anything that looks militant, but by a new energy in our leaders, a reborn socialist steadfastness at Transport House. I myself am convinced that such energy, confidence and steadfastness can best be achieved through a united working class movement. It is for this reason that I keenly desire unity. But unity is a means towards these ends, and not an end in itself.



## PENSIONS AT 60?

### Senex

When a man's in the fifties, he's middleaged. When he's turned sixty, he's 'getting on'. *Ergo*, Pensions at 60. This is the sort of mental muddle that got pensions at 60 put into the Standing Order of the T U C as one of the main objects of that otherwise blamelessly responsible body, and encouraged enthusiastic local Labour Party and Trade Union branch secretaries to deluge their Annual Conference or Congress with resolutions demanding 'Pensions at 60' and usually stipulating that they should be non-contributory into the bargain. This year there are over a dozen resolutions on the agendas of Congress and Conference calling for pensions at 60.

Recently the National Council of Labour published its Report on Pensions. Before the report was published, when it was known that the main provision would be for a contributory pension for a pound a week at 65, *The Tribune* denounced the report and said that the only thing for the 'workers' was the Unity Campaign's '£1 a week at 60, non-contributory' pension. Well, why not?

Why should not the Labour Party, which, theoretically, is in the admirable position of being able to ascribe the ills of every man to 'the system' come out for a non-contributory pension of £1 a week at 60? It may be expensive, said *The Tribune*; but then 'Make the Rich Pay'.

### SOME DIFFICULTIES

The report of the National Council of Labour indicated, to some extent, 'Why not'. Its reasons were obvious enough. It was said that, since there were already a large number of old people living to be well over 60 and since this number was increasing at an alarming rate, it followed that (1) pensions at 60 were too expensive, (2) That many people were often not too willing to retire as early as 60. But it did not do more than indicate that, in view of the facts (it presented a couple of population tables and a financial estimate) pensions at 60 was at present an impracticable aim. Later on, the Report hinted, when Britain was one heavenly Socialist Suburbia making the most of its wealth, more might be done.

### POPULATION TRENDS

The figures are not so reassuring. The National Council of Labour's report included a table setting out Dr Charles' estimates of the population over 60 in the future. Assuming that fertility

and mortality continue, as at present, to decline (reasonable enough, in view of the spread of knowledge of birth control and the growth of medical science), Dr Charles' estimates were quoted in the Report as follows :

Year .. ..	1935	1940	1945	1950	1955
Total Population ..	45,070	45,172	44,880	44,185	43,006
Over 60 .. ..	5,748	6,211	6,718	7,002	8,027

(Figs. in 000's)

Discreetly, the Report left off at 1955. (Sensibly, too ; if we haven't got somewhere near Socialism, or at least dealt with the insurance companies by then, . . . well, none of us will deserve a state pension.) But the figures for the later years are interesting :

Year .. ..	1965	1975
Total Population ..	39,777,000	34,936,000
Over 60 .. ..	9,403,000	10,569,000

So that in 1975 almost one in three of the population will be sixty years of age or over ! This means, whichever way you look at it, whether in a socialist or capitalist state, that, with pensions at 60, every two workers will have to keep one retired worker ; supposing his pension to be £1 a week, they will have to find 10/- a week each. Apart from that, with people living so much longer, will it be possible to persuade everyone to retire at 60, especially on a pound a week ? (A miserable pittance for really Socialist State !) This would require almost as great a power of persuasion as it would to induce the two workers below 60 to pay 10/- a week each.

Perhaps the most vivid way of presenting this difficulty is to show, from Dr Charles' article, the relative percentages of the total population which persons of working age (15—60) occupy relatively to persons presumably of retiring age (60 or over).

YEAR		RETIRED	PRODUCING
		% of Population Over 60	% of Population Age 15-60
1935	..	12.45	64.30
1940	..	13.90	65.94
1945	..	15.42	66.80
1950	..	17.01	67.58
1955	..	18.63	67.81
1960	..	20.69	67.50
1965	..	23.64	66.24
1975	..	30.24	62.61

This table speaks for itself. Bearing the observations above in mind, it shows that the problem of Pensions is not as easy as it seems. And, therefore, that to put your pensions policy in a slogan 'Non-contributory Pensions of £1 a week at 60' without further comment or explanation, is about as useful as urging John Bull with his naked fists to fight a Hitler-in-Armour.

What are the chief difficulties in the way of a scheme for non-contributory pensions of a pound a week at 60 ?

## ELIGIBILITY

Eligibility first:—who is going to get the pension ? This is where *The Tribune* has tied itself up into a political knot. The Pension is to be non-contributory ; presumably everyone therefore is entitled to it ; but surely, the comrades of *The Tribune* are not going to give the pension to Lord Nuffield, for example, unless they have so bled him that he is indeed in need of it ? But if not, how to determine who shall receive a non-contributory pension ? Only one way—by the operation of a Means Test—than which inquisition there is nothing more abhorrent to *The Tribune* !

At present a man qualifies for pension by reason of having contributed in accordance with the statutory conditions—i.e. by being an insured person (the insured class covers manual workers and non-manual workers up to £250 per annum).

## FINANCE

The cost of giving everybody a pension of a pound a week at 60 is shown in the following table :



Year	Population over 60	Cost
1935	5,750,000	£229,000,000
1955	8,030,000	£417,000,000
1975	10,570,000	£549,000,000

The average annual cost over those 40 years would be £423,000,000. This is of course £123,000,000 *annually* more than can possibly be spent on Britain's huge Rearmament effort (£1,500,000,000 in five years), and this charge, unlike the rearmament charge, will not end in five years and could not therefore be met by loan. It is ridiculous to say that the rich or anyone else can pay for this. It represents an enormous burden on any economy, socialist or capitalist, which must be borne by the workers in the long run. And this is for a pound a week only !

Of course, we are not in 1974 yet ; and there will no doubt be increases in productivity before then. But we cannot gamble on the future ; the cost now is over £300,000,000 annually. (Remember all a Socialist Government would have to spend on education and nutrition and other social services besides !) This gigantic burden on top of the other social services and rearmament would topple over any economy in the stages of transition of socialism.

Besides, would a Socialist Government, in a State where medical science is making men of 60 the physical superiors of the man of 45 of even 20 years ago, want men to be retired at 60 when men themselves will, with a longer and stronger life, desire to continue in work which is as remunerative to themselves and the community as retirement on pension is unremunerative and costly !

## RETIREMENT

*The Tribune* did not, presumably, want its £1 a week at 60 made conditional on retirement. But surely it is not in favour of subsidizing wages ? For that is what happens with the present pensions. And how many of the present almost 6 million of people over 60 will want to retire from a job at £2—£3 a week or more in return for a pension of £1, whilst still in possession of their health and strength, and free from the expense of children ! Finally let us in fairness point out that the State in fact finds altogether more than two-thirds—more than £60,000,000 annually—of the total cost of the present Old Age, Widows' and Orphans' Pensions. That is a heavy enough burden. It means, at the moment, that there is £60,000,000 less available to meet for example

child malnutrition — the cost of Mrs Drake's nutrition scheme published by N F R B<sup>1</sup>. Let us see that some of our social expenditure is devoted to giving our population a chance to reach pensionable age ! We must preserve an appropriate balance between the different sections of the population. Even now the balance is weighted heavily in favour of the old people and against the young.

In the period of transition to Socialism, there will be limits to what it is practicable to add to the budget. If we exceed those limits, we shall have an economic crisis due to bad planning, and our people will suffer. Even Russia's wholly planned economy cannot give a high standard of life at the same time as industrializing, and providing for the defence of, one sixth of the earth. The pensions policy put forward by the National Council does not place an undue burden on the workers, it invites them to pay their savings into a decent State scheme instead of the Insurance Companies' relatively inferior schemes, as they do at present. It doesn't tie the movement to a retiring pension at 60, which might very conceivably have to be lifted to 65 in ten or twenty years because people didn't want to retire at 60 and because it could no longer be afforded. And it does provide for the retirement of those of 60 and over who have fallen out of work and will probably not regain it.

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<sup>1</sup> *Nutrition* by Barbara Drake. N F R B, 6d.

# UNEMPLOYMENT POLICY IN SWEDEN

**Geoffrey Wilson**

*Barrister*

Any discussion of unemployment policy in Sweden is severely handicapped by the absence of any really reliable statistics as to the total number of unemployed. There are, however, two sets of figures which, though both incomplete, give some indication of the nature of the problem.

The trade unions make monthly returns of the number of their members who are not paying their regular trade union subscriptions. In May 1937 this number was 51,903, representing 8.1% of total trade union membership. The percentages for the same month in earlier years were:

1930	1931	1932	1933	1934	1935	1936
8.0%	13.2%	19.0%	21.1%	15.2%	12.0%	10.2%

The highest percentage reached during the depression was 31.0% in December 1932. These figures however do not necessarily represent the true position, since in many cases men who are only idle for a week or so while moving from one job to another are included in them.

The Central Unemployment Commission, about which more will be said later, has local committees to which application is made by those in need of assistance. This assistance is given either in the form of monetary relief or in the form of work, but only after an enquiry which corresponds to the Means Test in this country. Therefore, an unemployed person only goes to the local Unemployment Commission when he is near the stage of destitution, and the Central Unemployment Commission figures represent a comparatively small proportion only of those who in this country would be classed as unemployed. The number in June 1937 was 11,429, the figure for the same month in previous years being:

1930	1931	1932	1933	1934	1935	1936
6,634	31,057	97,370	145,458	99,628	51,157	25,863

In this case, the highest figure reached during the depression was 186,561 in March 1933, but the curve is roughly the same as in the case of the trade union figures.

A census is at present being taken to ascertain exactly the



total number of unemployed, and the figure should be available in a short time, but reliable estimates place it at somewhere between 80,000 and 100,000, which indicates the sort of adjustment which must be made in order to arrive at the true position from the figures which have already been given.

If a compulsory scheme of unemployment insurance is adopted—the present scheme is voluntary only and covers about 100,000 workers—no doubt reliable unemployment figures will be available at regular intervals.

The State's policy on unemployment falls into two sharply defined periods, the first from 1914 until the advent of the Labour Party to power in 1933, and the second from 1933 up to the present time. The second of these two periods is by far the more interesting, but first it will be necessary to consider the steps which had been taken up to 1933.

It was in 1914 that a government organ known as the Central Unemployment Commission was set up to organize and direct action for the relief of the unemployed. At the same time, local Unemployment Committees, the members of which were appointed by the appropriate local authority, were established, their function being to initiate or encourage local measures designed to prevent unemployment or attenuate its effects. These local committees were further responsible for the selection of labour for relief schemes and generally for the local administration of unemployment relief. This organization has remained in existence continuously up to the present time.

It has throughout been a principle of Swedish policy that, so far as possible, relief should be given in the form of work and not in the form of pecuniary grants. It was therefore the primary function of the Unemployment Commission and its local committees to enable the unemployed to earn their own livelihood by participating in the execution of public works. These works are known as 'reserve works' and are divided into three groups—state reserve works, state-communal reserve works, and communal reserve works.

## STATE RESERVE WORKS

These works are carried out directly by the Unemployment Commission and are financed exclusively by it. Certain conditions used to be laid down for the selection of such works—*e.g.* that they should be of utility to the state, the commune or some other public institution, that they should not be of much urgency, that they would in any case have had to be carried out in the near future, that the labour costs should be high in relation to the cost of materials, that they should be such that they could be continued throughout the winter, etc.

## STATE-COMMUNAL RESERVE WORKS

These are works initiated by, and carried out under the directions of, the local authority, but subsidized, to a greater or less extent, by the State. The local authority applies to the State Unemployment Commission for a subsidy, the amount of which varies according to the importance of the particular work to the State as distinct from its importance to the local authority, and the degree of taxation and unemployment prevailing in the particular area. The Central Unemployment Commission also fixes the rate of wages to be paid. The same conditions as to the types of work which may be selected apply as in the case of state reserve works.

## COMMUNAL RESERVE WORKS

These are works initiated, directed and financed exclusively by the local authority. The State has no connection with them at all, and they form no part of the State's unemployment policy.

The distinctive feature about all these types of reserve works is the fact that, prior to 1933, the wages paid were less than the minimum wage which an unskilled labourer in the district could obtain under open market conditions, but were such as to enable the persons concerned to live on the sums thus fixed. Naturally enough, this provision was the subject of bitter attack by the Labour Party and by the Trade Unions, but the idea underlying it was that a man who was unemployed should find reserve work more profitable than cash relief but less profitable than work in the open market.

Of these three forms of relief, the first has always been the most important; up to 1933, the third was considerably more important than the second, but with the change of policy introduced in that year, there has been a complete reversal, and since 1933 there have regularly been about three times as many unemployed working on state-communal reserve works as on communal reserve works.

Those of the unemployed who applied for work to the local Unemployment Committees were, as far as possible, given jobs on one of the three kinds of reserve works. The married men were generally employed within easy distance of their own homes, but in many cases the unmarried men would be sent to work on state reserve works in some other part of the country, in which case they were provided with free accommodation. Those for whom no work could be found were given cash relief, while those who refused work which was offered to them were entitled only to the normal poor relief, which they were under a legal obligation

to repay. A large proportion of those who applied for relief were, except during the depth of the depression, substantially unemployed for one reason or another.

So long as unemployment remained within normal limits, this system worked moderately well. The wages provisions provoked repeated attacks, it is true, and the types of works which could be undertaken were severely limited. It also happened that, in far too many cases, pecuniary aid was given instead of work. But the system was unable to withstand the crisis of 1932 and 1933. The burden on those local authorities where unemployment was particularly widespread became intolerable, and it became increasingly difficult to provide relief in the form of work. Thus, while the numbers of unemployed rose steadily, the proportion employed on reserve works fell, and what little flexibility the system possessed was mainly in the form of cash allowances—the very thing which the Unemployment Commission was designed to avoid. It was in these circumstances that the Labour Government came into power in 1933.

Faced as they were with an unprecedented volume of unemployment as shown in the figures already quoted, and with a steady contraction in private expenditure, the Labour Party decided that national capital expenditure ought to be increased, for two reasons. First, in order thereby to stimulate the general economic life of the country, and secondly, in order to provide work immediately for as many of the unemployed as possible. This increase in capital expenditure took the following forms:—

### RESERVE WORKS

These were greatly extended in scope, their cost to the State rising from 48 million kronor in 1933 to 67½ million kronor in 1934. The restrictions on the type of work which might be undertaken were relaxed, and the wages paid were increased so as to be equal to the lowest wages paid in the district for unskilled labour. New types of work were introduced, and in place of exclusively manual labour, the 'black coated' unemployed were offered clerical work of various kinds, such as cataloguing in public libraries, or museums. It was, and still is, part of the policy of the Labour Party to abolish entirely this system of reserve works with its low wages, but hitherto political considerations have made it impossible.

### 'BEREDSKAPARBETEN'

This word is properly translated 'preparation works', but a more appropriate name is 'advance works', or 'anticipatory' works. These also are works which in any case would sooner or later have had to be executed at public expense and through some



central authority, but which are advanced in time to meet the unemployment situation. Small experiments were made in this type of work in 1931 and 1932, but it was only in 1933 that they were organized on any substantial scale. Here again there are state advance works and state-communal advance works, as in the case of the reserve works, but there are no exclusively communal advance works. The fundamental differences from reserve works are (a) that no stipulation is made as to the proportion which labour costs must bear to total costs—in fact, in the case of reserve works wages amount to about 60%, whereas in advance works they are rather under 50%—and (b) that there are no special stipulations as to wages, and the works are carried out under normal open market conditions, and open market wages are paid. Whereas men employed on reserve works continue to be classified as unemployed, those who are engaged on advance works are not so classified. It is this type of work which the Labour Party wishes to substitute entirely for the reserve works, and indications are not lacking that they will succeed within the near future.

### SUBSIDIES, LOANS AND CREDITS

This expenditure, which is often classified with the 'Beredskapsarbeten' proper, is a vital part of the Swedish unemployment policy, and is of much greater significance than the advance works themselves, as the following figures show:

	<i>Subsidies, loans and credits</i>	<i>Advance works</i>
1933-1934	96,602,400	11,500,000
1934-1935	76,944,250	10,000,000
1935-1936	39,080,350	3,000,000
1936-1937	44,365,000	3,000,000

By far the larger part of this money is expended for public buildings, dwelling house construction, improvement of forestry and agriculture, and the provision of smallholdings. In some cases the money is granted as a subsidy, in other cases as a loan, either with or without interest. As the figures show, the expenditure has been enormously curtailed since the end of the depression, and it is of a type which can be expanded almost indefinitely to meet the needs of any particular situation. To contract it has proved more difficult, especially in view of the fact that some of the types of expenditure have proved so valuable from a social point of view that they will have to be continued until the demand is satisfied. This is particularly the case with dwelling house construction and

the provision of smallholdings, which together were responsible for 36,500,000 of the 44,365,000 kr. spent in 1936-1937.

### INVESTMENT IN STATE BUSINESSES

These comprise the state post, telegraph, railways and waterfalls for the production of electricity. Here also, as the following figures show, the advent of the Labour Government in 1933 led to a substantial increase in expenditure, the effect of which would be to give increased employment both directly and indirectly.

1929-1930	..	..	..	..	24,745,800
1930-1931	..	..	..	..	34,499,063
1931-1932	..	..	..	..	57,190,500
1932-1933	..	..	..	..	51,839,600
1933-1934	..	..	..	..	82,841,000
1934-1935	..	..	..	..	66,336,000
1935-1936	..	..	..	..	60,764,200
1936-1937	..	..	..	..	56,064,000
1937-1938	..	..	..	..	79,195,900

It is difficult to estimate the effect which these various measures have had on unemployment in Sweden. No figures are available to show the work provided directly or indirectly by the capital expenditure on the state businesses. As far as the advance works and the subsidies, loans and credits are concerned, they provided direct employment in 1934 for a minimum of 7,110 persons, in January, and a maximum of 40,768, in October; in 1935 the number so employed varied between 18,104 in February and 42,482 in October; in 1936, between 15,377 in February and 34,373 in October. In addition, indirect employment was provided, though for how many persons it is impossible to say.

The only form in which pecuniary assistance is given by the State is through the local committees of the Unemployment Commission. In the following table are given the monthly averages of the number of persons provided with work and with pecuniary relief by the Unemployment Committees, for the period immediately prior to the advent of the Labour Government, and for the years following.

<i>Monthly average</i>	<i>No. on reserve work</i>	<i>No. in receipt of relief</i>
1933 January—June ..	44,127	.. 65,401
July—December	44,861	.. 54,174
1934 .. .. .	44,208	.. 32,196
1935 .. .. .	29,781	.. 10,112
1936 .. .. .	16,065	.. 7,863
1937 January—June..	11,253	.. 6,362

These figures show that, quite apart from the employment which was provided by the advance works, the credits and the investments in state businesses, the Labour Government, within a comparatively short time of its return to office—actually in May 1934—succeeded in providing more of those who applied for relief with work than with pecuniary assistance, and it thus re-established the principle of providing work rather than relief. Within the limits of this article it is impossible to describe in detail the measures adopted to raise the necessary money to meet the increased expenditure. Suffice it to say that the major part of it was raised by loan, and that it was repaid out of taxation within a period of four years, so that at the present time it has caused no addition to the national indebtedness of the Government. It is true that no exact comparison can be drawn between Sweden and Great Britain, but Sweden's success in providing work—much of it at trade union wages—for the unemployed, rather than relief, raises in an acute form the question whether more on similar lines might not be done in this country.

## FOREIGN TRADE MACHINERY

**John Parker, MP**

All of the authoritarian governments have found it necessary to take rigid control of foreign trade so as to increase the stability of their regimes whilst carrying through internal changes. Many of the difficulties of the French Popular Front government have arisen from the lack of adequate control over foreign trade and exchange. If a British Labour Government is to weather the storms of transition it must have plans ready to deal with any situation likely to arise particularly in this sphere. This means that schemes ought to be prepared for socializing foreign trade before a Labour Government takes office, even though it may not be practicable or necessary to put all of them into operation for some years. In this article it will be assumed that the Labour Party is neither a free trade nor a protectionist party, but is determined to face problems which would arise if it came into power tomorrow in such a way as to increase international trade and raise the standard of life without causing undue dislocation in already established industries. An effort will be made first to discuss the best kind of machinery for operating a fully socialized foreign trade and then the transitional stages during which it should be built up. A study of existing machinery regulating foreign trade and of its possible modification and development in



building up a fully socialized system will necessarily form part of this second investigation.

## SOCIALIST FOREIGN TRADE MACHINERY

Machinery set up to control or conduct foreign trade in a socialist state must be closely linked up with a central planning body for all national economic affairs. It is not proposed to discuss this in the present article beyond stating that some supreme body will be desirable and that it should make decisions on main lines of national economic development and lay down the general policy which any body responsible for foreign trade should follow—subject of course to final control by Parliament. This central planning body may be a newly created organization or a development of the present Board of Trade. This question is being fully examined by an N F R B committee studying governmental planning machinery as a whole.

So far as foreign trade machinery is concerned I suggest that the Overseas Trade Department of the Board of Trade should be reconstructed and developed to take full responsibility under a central planning body for the organization of foreign trade. It should continue to negotiate trade agreements with foreign countries both inside and outside any tariff group to which Great Britain may belong. It would be much better to use and develop this existing body rather than create an entirely new one. Advantage could thus be taken of the knowledge and experience of the existing personnel of the Department.

Working underneath this reconstructed overseas Trade Department would be a variety of bodies with the machinery best suited to the industries concerned. This machinery should be as simple as possible and the number of organizations as few as will work satisfactorily. To avoid unnecessary over-lapping any board or corporation controlling a socialized industry such as coal or internal transport should, save in exceptional circumstances, itself carry out all or part of its own sales or purchases abroad subject to the general supervision of the reformed Overseas Trade Department. In cases where it is desirable to unify and coordinate the import or export of particular products which may be used or produced by a variety of industries, or by an industry which is not for the time socialized, import or export boards should be set up again subject to the general control of the Overseas Trade Department. Some of these boards should, however, be definitely of a temporary character to operate during the period of transition, but being absorbed by the productive industry served as socialization progresses. An example of an import board for a particular product

which is a raw material of a number of industries would be that for timber. Such a board, which would work in close connection with the Forestry Commission at home, would import pit props for the coal industry, wood pulp for the paper industry and housing timber for the building trade. Some of these industries might be socialized early and some late, but it would probably be an advantage even in an advanced socialist economy to continue to organize the import of this product as a whole. On the other hand it might prove desirable to create a special import board to purchase raw cotton at an early stage in transition whilst leaving the manufacturing industry in private ownership. Then at a late date when the industry had been socialized as a whole, a special import board for raw cotton would prove unnecessary and could be absorbed by the board responsible for running the whole industry.

When foreign trade had been fully socialized there would thus be a reformed Overseas Trade Department generally planning it under the over-riding authority of the central Planning Body under the Overseas Trade Department, in some cases various socialized industries would conduct their own sales and purchases abroad and in other cases special import or export boards would control commodities which might be used or produced by a variety of industries. Those sections of the national economic life which were handed over to the cooperative movement would be in the same position as the public boards, sometimes buying and selling abroad direct and sometimes working through an import or export board. There would probably be few kinds of foreign trade not covered by one or other of these forms of machinery.

### OTHER MACHINERY NECESSARY DURING TRANSITION

In the period of transition however other forms for controlling foreign trade would also be necessary; there would be many industries still remaining in private ownership for which the import or export board was not thought suitable. Some form of state control would however have to remain or be created for these trades if foreign trade as a whole is to be planned. It is therefore necessary to consider how far existing machinery can be used and how far it requires alteration or modification.

Control of imports by means of quotas and licences forms a part of the present machinery; many trade agreements include provisions of this kind. Experience has shown that these barriers are even more effective obstacles to trade than tariffs. They should therefore be dispensed with as far and as fast as possible.

Existing trade agreements would largely determine when these alterations could be made. In the meantime a sub-committee of the Overseas Trade Department should operate this machinery. The government should make it quite clear what general policy the department was required to operate and see that civil servants were in charge who could be relied upon to carry out their wishes.

## TARIFFS

An immediate abolition of tariffs would be both impossible and undesirable. In the first place a large part of the national revenue is now received in this way. A socialist government will have to find further large sums of money from direct taxation for new social services. It will not therefore be able to dispense with a great deal of the revenue obtained from indirect taxation for some years, although modification will obviously be necessary where burdens are placed on the poorest sections of the people. As industries contributing a large revenue to the state in indirect taxation are socialized arrangements should be made for an equivalent income to be paid to the Exchequer by the industry direct from its profits in place of that now received from customs or excise. Secondly, the existing tariff machinery does enable some measure of planning to take place in foreign trade. This should be modified or replaced by something better, but an immediate repeal without replacement by some form of socialist machinery would only lead to chaos.

## IMPORT DUTIES ADVISORY COMMITTEE

The control of imports now imposed by tariffs should be handed over to the socialist board operating the industry or to the import board concerned as these came into existence, subject of course to supervision by the Overseas Trade Department. For some years, however, large sections of foreign trade would remain in private hands. To control such imports tariffs would be less rigid than quotas or licences and have the advantage of bringing in a revenue. Some machinery as free as possible from the log-rolling of particular interests should be responsible for administering the tariff system and modifying it to meet changing needs. With all its shortcomings the Import Duties Advisory Committee has done this work well taking into consideration the general policy the present government has desired it to operate. As it has become an established piece of machinery it has become more flexible. It should therefore be continued, but in this case also the civil servants in charge should be told quite clearly the general foreign trade policy of the Labour government and replaced by others if they were not willing to carry out its wishes.



## A LOW TARIFF GROUP

It is difficult to see any justification for export subsidies, which would merely complicate any attempt to plan foreign trade. It is recommended that a Labour government should set its face rigidly against any such payment. If it is felt that an industry requires assistance it should be given in other ways. The section of the Overseas Trade Department responsible for negotiating trade agreements would continue to be necessary. As treaties came up for revision they should be modified as far as possible on the lines of the new foreign trade policy. In particular every effort should be made to build up a low tariff group. Once such a group had come into being some central machinery for planning trade between its members and settling differences should be created if possible under the auspices of the League of Nations. It seems undesirable to sketch out any elaborate machinery for this purpose without consultation with members of socialist parties abroad. On the British side such a body would need to be closely linked not only with the Overseas Trade Department but with the Central Planning Body. The machinery of the I L O should be used to level up standards of life both among members of the Low Tariff group and powers outside.

## THE M F N CLAUSE

Two important difficulties arise in connection with the creation of a Low Tariff group. The first is the M F N clause. A Labour government should attempt to deal with this question on the lines proposed by Sir Arthur Salter, who discusses the following three alternatives :

- (a) To abolish the clause. This he dismisses in view of its past and present services in extending international trade.
- (b) To retain completely the sacrosanct nature of the clause. This he thinks would merely intensify the difficulties of today.
- (c) "Neither to abolish the clause nor to retain it in its present form, but to extend considerably the conditions under which exceptions, for which there are already some precedents, are customarily allowed". He convincingly urges that M F N privileges should not be insisted upon in the case of preferential agreements under carefully defined conditions which should be roughly those satisfied by the Ouchy treaty between Holland and Belgium in 1932. This agreement provided for reciprocal, substantial and progressive tariff reductions with no increase in tariffs to the detriment of other nations, being open to other countries on the same conditions.

## COLONIAL TRADE

The second is the colonial question. Attempts to remove major restrictions on trade with the Colonies should be made as soon as practicable. It is possible, however, that it might prove feasible to remove rather more restrictions for members of the Low Tariff group than for those powers outside such a group. If the Low Tariff group coincided with powers which were seeking to rebuild the League of Nations, an economic tie between them in regard to their colonial territories might prove a useful adjunct to political, military and other economic links between them. Such a question should be fully explored in attempts to bring a Low Tariff group into being.

## FOREIGN LOANS

Supervision of foreign lending both past and future would have to be vested in a sub-committee of the National Investment Board, when created. This body would work in close connection with the Overseas Trade Department's section dealing with trade agreements. The Central Planning Body would have to be responsible for laying down the general lines of policy to be followed on foreign lending. Further work is required on the question of governmental planning machinery as a whole and upon the future of British agriculture in a planned state making the best use of its resources in an economic manner before a complete plan can be prepared on foreign trade machinery. Such a study goes beyond the scope of this article.

## PARLIAMENTARY CONTROL

The position of Parliament in the working of the necessary foreign trade machinery needs consideration if bureaucratic dictatorship is to be avoided on the one hand and changes carried through speedily and in accordance with a plan on the other. A special Act would require to be passed to reform the Overseas Trade Department and other existing bodies on the lines desired. The Overseas Trade Department should be given powers to create import boards or to hand control of imports to relevant socialized bodies subject to the orders having to lie on the table of the House of Commons in the same way as changes in tariffs now do. Opportunities would thus arise for criticising particular changes proposed. Full opportunities should however be given if only for all questions of foreign trade to be discussed as a whole on the Board of Trade Estimates. Extra time should be given for the purpose. The existing procedure should continue for discussing tariff alterations so long as the Import Duties Advisory Committee remained in being.



# NOTES ON BOOKS

## 1

### PEP REPORT ON INTERNATIONAL TRADE (8s 6d)

This study has been carried out with the usual thoroughness associated with P E P. The limitations of bilateral trade and the difficulties connected with the M F N clause are fully explored as are all possibilities of reducing trade barriers. **J. P.**

### PEP REPORT ON THE BRITISH SOCIAL SERVICES (10s 6d, Paper 7s 6d)

A valuable and comprehensive survey of the whole field. In the last thirty years public expenditure on social services has quadrupled, but little or nothing has been done to co-ordinate this rapid and disorderly growth. While there are plenty of experts in their own restricted fields, there is no central body responsible for calling attention to growing anomalies, to gaps in the system as a whole, to changing social needs and standards. The writers recommend the setting up of a permanent Social Services Statutory Committee, with powers and duties to enquire into and report on all matters affecting the growth of the Social Services. **B. D.**

### A PROGRAMME OF FINANCIAL RESEARCH, an exploratory report for the National Bureau of Economic Research (Macmillan 4s 6d)

This is an example of how research work should be planned—a comprehensive survey of the research required for a proper understanding of the trends in the development of America's financial structure. There is urgent need for similar research here. Since the Macmillan Report, the whole structure has been changed by the departure from gold and the resultant increase of Treasury control. But British private and public bodies are less willing than American to provide the funds for proper research by qualified researchers. **R. W. B. C.**

## 2

### STATISTICAL YEAR BOOK OF THE LEAGUE OF NATIONS

(Allen and Unwin 10s)

Still remains the best statistical ten-shillingsworth there is. Figures from all over the world about everything from population and living conditions to trade, production and finance. Many tables have in this latest issue been expanded and five brand new ones have been added—the most promising of these being the beginnings of a table showing world trade by classes of commodities. **W. G. C. S.**

### LEAGUE OF NATIONS MONETARY REVIEW (Allen and Unwin 6s)

A comprehensive survey of the course of foreign exchanges in the last eight years, including a discussion of the tri-partite monetary agreement. There is a quite excellent chapter on the question of gold supply which gives very precise information about the sources of the recent increase in the amount of gold available for monetary purposes. **W. G. C. S.**

### WORLD TRADE 1936 (League of Nations—Allen and Unwin 2s 6d)

Both the statistical tables and the extensive letterpress in this 90-page volume contain a good deal of useful information of a scrappy kind. But it is of a rather *interim* character. We shall get a much more detailed picture of world trade in 1936 when the League publishes its "International Trade Statistics" later in the autumn. But this slimmer work certainly gives the main trends. **W. G. C. S.**

### THIS FREEDOM OF OURS by FRANK BIRCH (Cambridge University Press 6s)

Is about the rights of the individual and the restrictions to which he must submit in present day England. Its 225 pages are well documented and easy to read. Mr Frank Birch, who has based his book on a series of broadcast talks, criticizes police methods and the cost of legal proceedings, *inter alia*. His remarks about trade unions and conscientious objectors are perhaps more open to controversy. **C. H. J.**



**THE SPANISH PLOT** by E. N. DZELEPY, with Preface by PERTINAX.  
(P. S. King 6s)

A detailed review of the first nine months of the Spanish War. Part I demonstrates the connection between this war and the general international situation, its place in the Fascist offensive which the internal conditions of Germany and Italy are rendering ever more violent. Part II considers the part played by Britain, showing the author's conclusion that "Britain openly shows sympathy for all Fascist Powers" to be fully borne out by the events in Spain.

**THE FUTURE OF MERSEYSIDE; TOWN AND COUNTRY PLANNING SCHEMES** by W. G. HOLFORD and W. A. EDEN (Liverpool University Press, 1937 2s 6d)

This is an excellent discussion of the difficulties arising from existing local government areas. The bold proposals for unification of public services over this industrial region are of more than local interest.

J. P.

**LEGAL MACHINERY FOR PEACEFUL CHANGE** by PROFESSOR KARL STRUPP, with a preface by GEORGES SCELLE (Constable 4s 6d)

Professor Strupp does not think much of the League of Nations but thinks a great deal of the Permanent Court of International Justice, while regretting that under Article 38 it has power to decide *ex aequo et bono* if the parties agree. What is wanted is a new Hague Conference to approve an International Peace Convention and an International Peace Charter, both of which the author has drafted. The result will be a complete system of international justice, providing for decisions by Conciliation, the Permanent Court, a new Permanent Court of International Equity, and other methods of settlement (including the League). In this way all international disputes will be settled and Hitler, Mussolini, and the Japanese War Lords will lie down and be lambs. Professor Scelle introduces a little realism while paying the necessary compliments.

W. I. J.

**INDUSTRIAL ASSURANCE** by SIR ARNOLD WILSON, M.P., and PROFESSOR HERMANN LEVY (Oxford University Press 21s)

By this criticism of industrial assurance and advocacy of its socialization, Arnold Wilson has done a disservice to the capitalist party to which he belongs. The book is too heavily documented, but he who reads must be convinced. However, other classes of insurance can be subjected to similar treatment, and the authors' limitation of Socialist reconstruction to one class is artificial in the extreme.

L. L.

